7 March 2006

The Manager

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ELECTRONIC LODGEMENT

Dear Sir or Madam

Goldman Sachs JBWere Australasian Investment Forum – New York

In accordance with the listing rules, I attach a copy of a presentation by John Stanhope Chief Financial Officer Telstra, made at the Goldman Sachs JBWere conference, for release to the market.

Yours sincerely

Douglas Gration
Company Secretary

Telstra

Telstra Corporation Limited GSJBW – Australasian Investment Forum

John Stanhope

Chief Financial Officer

Telstra

Disclaimer

These presentations include certain forward-looking statements that are subject to various risks and uncertainties. Actual results, performance or achievements could be significantly different from those expressed in, or implied by, these forward- looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Telstra, which may cause actual results to differ materially from those expressed in the statements contained in these presentations. For example, the factors that are likely to affect the results of Telstra include general economic conditions in Australia; exchange rates; competition in the markets in which Telstra will operate; the inherent regulatory risks in the businesses of Telstra; the substantial technological changes taking place in the telecommunications industry; and the continuing growth in the data, internet, mobile and other telecommunications markets where Telstra will operate. A number of these factors are described in Telstra's Annual Report and Form 20-F.

All forward-looking figures in this presentation are unaudited and based on AGAAP. Certain figures may be subject to rounding differences. All market share information in this presentation is based on management estimates based on internally available information unless otherwise indicated.

The story so far...

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What have been the trends in the business?

Revenue and cost trends are concerning...

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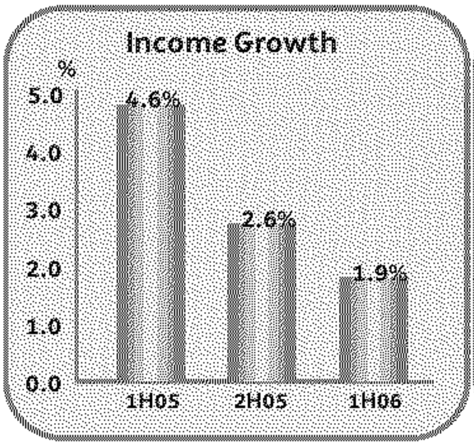

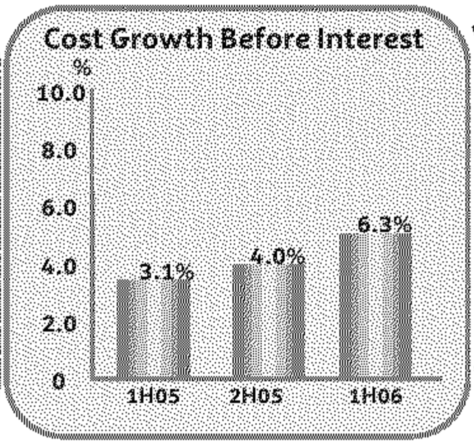

- Revenue mix shifting to currently lower margin products
- We have too many of everything

Where are we now?

Highlights of 1H 2006

Results

($ billions except margins & EPS)	1H05	1H06	% Δ
Sales Revenue	11.28	11.44	1.5
Total Income	11.36	11.58	1.9
Operating Expenses (before D&A)	5.88	6.28	6.8
EBITDA	5.48	5.30	(3.4)
EBIT	3.75	3.49	(7.0)
NPAT	2.39	2.14	(10.3)
Basic EPS	19.1	17.3	(9.4)
EBITDA Margin (%)	48.6%	46.3 %	(2.3)
Domestic Operating Capex (incl 3G)	1.72	1.81	4.8
Free Cash Flow	2.04	1.96	(4.0)
Total dividends per share (cents)	20	20	-

Sales Drivers

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Movement $m	Drivers of Revenue Growth	Actual $m	Growth %
264	Internet & IP solutions	888	42
109	Mobiles	2,486	4.6
56	Sensis	944	6.3
35	Pay TV	156	29
-32	ISDN	421	(7.1)
-42	Specialised Data	453	(8.5)
-313	PSTN Voice	3,818	(7.6)

Growth drivers – broadband, Sensis, mobiles

Operating Expenses

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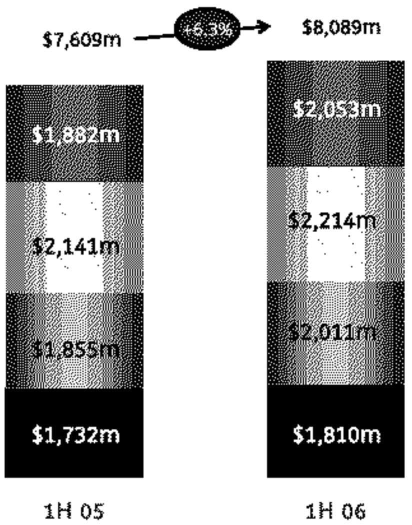

Labour +9.1%
- Redundancy
- Salary increases
- Controlled entities

Goods & Services Purchased +3.4%
- Network payments
- Pay TV bundling
- Handset subsidies

Other operating expenses +8.4%
- Service contracts
- Prior period currency gain

Depreciation and Amortisation +4.5%
- ADSL build
- 3G JV/spectrum

Impact of new strategy yet to be felt

Operating Capital Expenditure / Cash Flow

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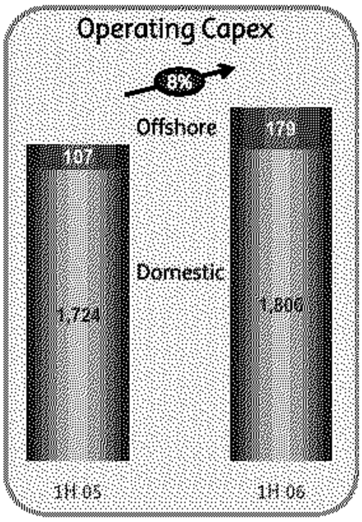
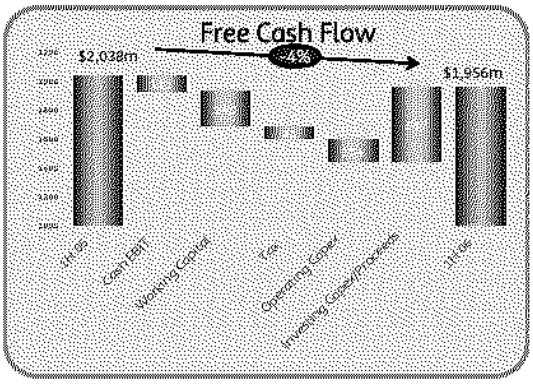


Capex:

- 3G JV payment to Hutchison $312m
- International transmission

Cashflow:

- Lower earnings, lower investment spend



FY06 operating capex guidance $4.8b-$5.1b

Guidance

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What does this mean for FY06 EBIT guidance ?

FY06 Earnings Guidance

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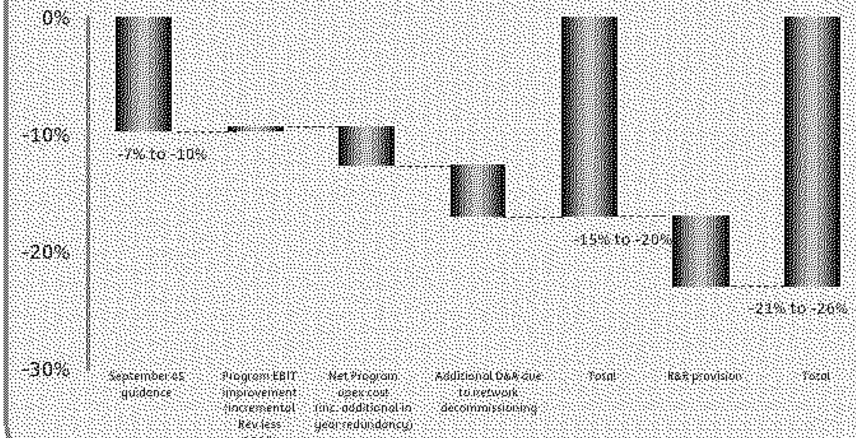
FY06 EBIT change vs. FY05 (percent)



On track to meet FY06 guidance

Strategy

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What are we doing to change the business ?

Our Strategic Priorities

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We are taking the tough medicine to create long term shareholder value...

- Focus on integrated services
- Invest to take out complexity and cost
- Implement market based management to know the customer like never before
- Win in mobiles and broadband – targeting 55% retail broadband market share by FY08
- Invest in new services and applications to differentiate ourselves
- Accelerate opportunities at Sensis
- Target investment to where we can create value and limit investment that lacks shareholder safeguards

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Our Strategic Priorities - Market Based Management

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Market-Based Management puts our customers at the centre of everything we do. It is the first key pillar of our new strategy

Differentiation at Telstra

- Leverage off our position as the only full service provider in the market to create truly integrated customer solutions
- Simple, easy-to-use, one click applications
- Intuitive functionality and navigation
- Common interfaces
- Personalisation
- Shared application services

Impacts on Telstra

- Growth
  - Improved Sales
  - Improved ARPU
- Customer Satisfaction
  - Reduced Churn
- Cost to Serve
  - Efficiencies of spend
- Profitability
  - Improved customer lifetime value

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Our Strategic Priorities – One Factory

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Our current network and IT infrastructure:

- Has significant duplication, complexity and under investment
- Is not equipped to deliver integrated applications & services
- Is not cost effective

We will transform our IT capability to deliver truly integrated services that customers value, in a profitable manner

We have implemented a One Factory model:

- Principle #1: Do it once
- Principle #2: Do it 'right' for the customer
- Principle #3: Do it in an integrated way
- Principle #4: Do it at low unit cost

Outcomes:

- This will lead to a more streamlined, leaner structure with less complexity resulting in reduced headcount and costs

Timeline for NGN Build

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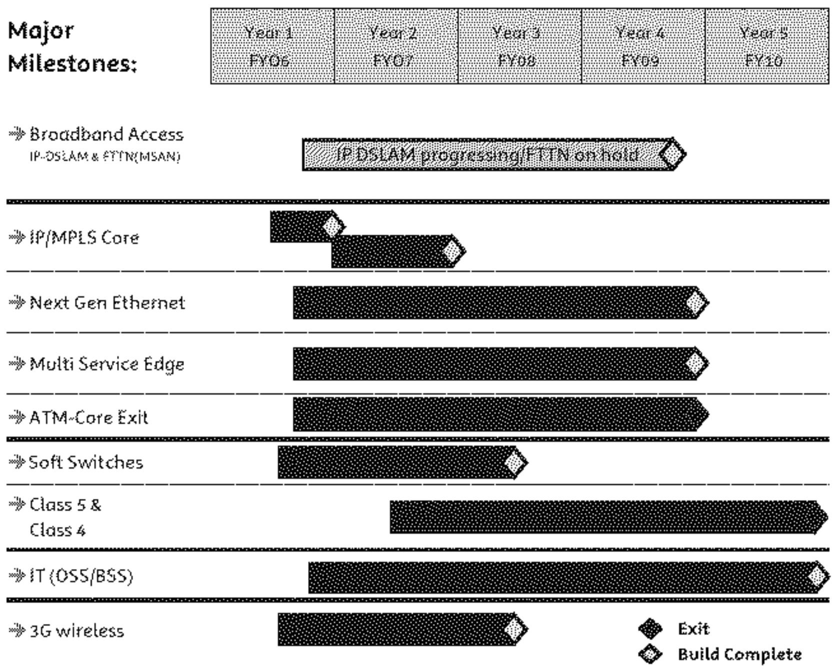

Progress to date

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What progress has already been made?

Strategic Outcomes - Progress to date

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It's early days, but there is progress in the transformation's strategic goals...

- 1000 workforce reduction since June 30 (incl contractors)
- Cost reduction programs commenced
- 1H06 Capex saving of $300m identified and redirected to transformational projects
- Over 400 low value projects stopped
- Unsatisfied ADSL orders reduced by 48% since August
- 22,000 customer interviews completed, with 7 needs based segments identified

Strategic Outcomes - Progress to date

Vendors signed:

- Ericsson - 3G 850 network to over 5,000 sites
- Cisco - IP core
- Tellabs - Multi-Service Edge/SDN replacement
- Alcatel – IP DSLAMS and softswitches

IT transformation:

- Detailed scoping for all 26 Operational Support Systems (OSS) domains complete
- Siebel Business Support Systems (BSS) licensing agreement signed

Complexity Reduction:

- Almost 200 platform exits identified

Regulation

However, outcomes will be impacted by the regulatory environment

Regulation

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ULL

- Issue – structure and level of pricing
- Our position - $30 averaged undertaking lodged
- Next steps – ACCC report to Government by end of March on price structure. ACCC assessment of price level undertaking expected shortly after

Safe guard

- Issue – lack of regulatory certainty on new investments
- Our position – FTTN on hold as we seek new investments to be regulated like all other industries
- Next steps – discussions with Government continuing

Operational Separation

- Issue - Draft plan is available for public consultation
- Our position- ensure application of the principles do not impede our ability to fairly compete in the market
- Next steps – report to Minister by end of March, Minister response due end of June

Stakes in the Ground*

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Revenue growth	**2.0% to 2.5% p.a. (FY10 vs. FY05)**
New product revenue	**20-30% of new revenue growth**
Cost	**FY10 will be the same level as of Jan 1st 2006****
EBITDA ($)	**3-5% p.a. growth through FY10**
EBITDA margin	**50% - 52% by FY10**
Workforce	**Down 6,000 - 8,000 over 3 years** **Down 10,000 – 12,000 over 5 years**
CAPEX	**Falls to 12% of revenue in 2010 after $2.5B - $3.5B bubble in FY06-FY08**
Free cash flow	**$6B - $7B by 2010**
Dividend	**Intend to pay 28 cps to FY08*****

*Subject to a reasonable regulatory outcome
**Annualised
***Subject to normal Board considerations

Key Messages

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1H result shows continuation of deteriorating traditional product trends

A new strategic direction has been announced

We are setting the foundations for successful execution of strategy

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Q&A